

Testimony of Congressman Mike Pence

Indiana, 6th Congressional District

Before the

Committee on House Administration

The Regulation of 527 Organizations

April 20, 2005

Mr. Chairman and Members of the Committee, thank you for the opportunity to appear before you today to discuss Campaign Finance Reform. I humbly sit facing you this morning, joined by my good friend Albert Wynn, in support of our own effort to make sense of, and ultimately repair, the campaign reality we each face every two years.

The Bipartisan Campaign Reform Act of 2002 is so rampant with regulations and penalties that hinder free speech, that it caused me to become the sole House plaintiff in the McConnell case before the United States Supreme Court.

Mr. Chairman, while I am not here to debate BCRA or advocate its repeal, I do believe it ushered in what I like to call the "Summer of 527s." Swiftboat Veterans and MoveOn.org dominated the 2004 airwaves leaving political parties, political action committees and the personal campaigns of George Bush and John Kerry with very little control over their philosophical messages.

And Americans are subject to future "Summers of 527s" so long as over-regulation of political parties meets no regulation of 527s. BCRA went too far in imposing severe constraints on the national political parties and weakened FEC regulated committees.

As a result, we find ourselves here today in a hearing titled the "Regulation of 527 Organizations." But I would humbly offer, Mr. Chairman, that this title leads us in the wrong direction. I believe we do not need to impose further regulations on 527s, but rather remove and repeal many of the regulations stifling political parties so that they can return to their rightful place in the political process.

Mr. Chairman, Congressman Wynn and I have introduced H.R. 1316, The 527 Fairness Act, so named because it levels the playing field between political parties, PACs, federal campaigns and 527s. Instead of pushing down the 527s as some have proposed, our bill aims to lift up the other players by injecting more freedom into the campaign system.

Mr. Chairman, this is how I think of it...in terms of a basketball game as any good Hoosier would. Imagine a two-on-two basketball game in a playground where one of the four players is dramatically taller than the other three. Instead of forcing the tall guy to play on his knees, the approach of Mr. Wynn and myself would be to allow the other three players to wear fancy sneakers with a little extra bounce in them. In other words, Mr. Chairman, let's not bring down the advantaged players in the campaign system by creating new federal regulations for them. Let's lift up the disadvantaged players in the campaign system by freeing up what they can do and when they can do it.

Let me quickly speak to what the 527 Fairness Act does and does not do. **The 527 Act DOES:**

1. **Remove the *aggregate contribution limits*** on contributions to federal committees and parties – so individuals don't have to *choose* between/among FEC regulated committees and parties;
2. **Remove the *spending limits*** now imposed on national political parties -- the **only** entities with spending limits that were established in 1974; and
3. **Allow state and local parties** to spend non-federal dollars for voter registration and sample ballots. This is an issue dear to Mr. Wynn and I'm sure he'll expand on it in his testimony.
4. **Repeal the Wellstone Amendment to BCRA for electioneering communications by grassroots organizations.** The 527 Fairness Act of 2005 reinstates the Snowe-Jeffords provisions of the *original* BCRA. It will allow exempt organizations to receive and spend contributions from *individuals* for electioneering communications, the same thing that 527 committees are allowed to do under BCRA. But, it should be noted that our bill does NOT force legitimate grassroots organizations to establish a federal PAC in order to engage in political speech.
5. **Encourage Contributions to Federal PACs** by indexing PAC contributions and repealing 'prior approval' for PAC solicitations by trade associations.

The 527 Fairness Act DOES NOT:

1. Repeal the limits on individual contributions to national parties, committees;
2. Change any other major provision of BCRA;
3. Allow 'soft money' to the national political parties; or
4. Try to restore 'balance' to the system by regulating the §527s...in "hopes" that it will work out in 2006 the way Congress intended.

In closing, Mr. Chairman, greater government control of political speech is not the answer. More freedom is the answer.

And while this liberty may be a bit more chaotic and inconvenient for some in the political class, as Thomas Jefferson said, "I would rather be exposed to the inconveniences attending too much liberty than those attending too small a degree of it."

The answer to problems in politics in a free society is more freedom, not less.

The 527 Fairness Act is about answering the inequities of the “Summer of 527s” with the only antidote a free people should ever administer: more freedom.

What we seek is not reform of 527s. We seek fairness between 527s and the political parties, individuals and organizations that have played such a vital role in sustaining the vitality of our political life throughout American history.

Mr. Chairman, thank you again for the opportunity to appear today before the Committee on House Administration. I would be happy to answer any questions you may have for me.